



El Niño in Ethiopia

Pulses Price Trends – March 2014 to February 2016

Introduction

In February 2016 the AKLDP reported on cereal and pulse price trends in Ethiopia. In this Food Price Brief the AKLDP analyses nominal Ethiopia Grain Trade Enterprise price data for pulses from March 2014 to the end of February 2016. Pulses play an important role in household food security, being an important protein source in particular for poorer households who cannot afford animal source protein. Pulse price trends hence serve as a useful proxy indicator for the quality of household diet for poorer households.

Pulse Prices

Since March 2014, price trends for almost all pulses have been on a steep upward trend, with the exception of haricot beans, the cheapest pulse, which remained stable overall during this period. The January 2016 to February 2016 prices differ from the past trend, with aggregate pulse prices declining by an average of 4.8%. Indeed, there was an across-the-board price decline for all pulses during the January 2016 to February 2016 period. Prices declined by 12.5%, 5.5%, 3.9%, 2%, and 0.4% respectively for red haricot beans, horse beans, field peas, chickpeas, and lentils.

This said however, the January 2016 to February price decline is relatively modest and may as well be temporary. Indeed, the year-on-year (February 2015 to February 2016) inflation rate for all pulses stands at 45%. When disaggregated by crop, the year-on-year inflation rate for chickpeas, lentils, horse beans, and field peas remain 86%, 62%, 45% and 40% respectively. In addition, nominal prices of pulses – with the exception of haricot beans – is considerably higher than the March 2014 starting point by 127%, 140%, 95% and 77% respectively. As mentioned in AKLDP's January Price Brief, prices of pulses are being driven by a combination of domestic and international factors. On the domestic front, factors include a reduction in the area of land planted to pulses as more land is taken into cereal production, resulting in a restricted supply. Domestic supply has been further restricted by the failed spring belg and erratic and poor summer kiremt rains and associated harvests. Globally, a poor harvest in India - the largest pulse importer in the world - has resulted in increased international demand that has placed further pressure on prices.

Conclusion

Pulses play an important role in household food security as they typically offer an affordable protein source. While high pulse prices benefit surplus producers, rising pulse prices can be expected to result in reduced protein intake in particular for poorer households. The January 2016 to February 2016 price decline is welcome news to consumers who otherwise are unable to afford other sources of protein. It remains to be seen whether the recent price decline is the start of a new trend or just a temporary decline.

Disclaimer

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